

Agency Description

The Office of the Secretary of State conducts its daily operations through a single program: the Business and Government Services Program. The agency receives its entire funding from one enterprise fund.

Summary of Legislative Action

The legislature approved fees and charges revised by the office subsequent to the Executive Budget submission. The rates and charges approved by the legislature would produce roughly \$41,000 per year higher revenues for the portion of the office funded by an internal service proprietary fund than when the Executive Budget was submitted. However, the legislature passed HB 639, which directed that all revenues of the office be deposited into an enterprise fund.

Actions of the legislature would provide the same level of service provided during the 2001 biennium with the only exception being a move to provide greater public access to the Administrative Rules of Montana via the Internet.

Agency Discussion

During the 2001 biennium, the Office of the Secretary of State was funded entirely with proprietary funds. A portion of the office that receives revenues from fees charged to businesses and corporations for such services as corporate filings, registration of assumed business names and trademarks, and subscriptions to the ARM was funded with an enterprise fund. The other portion of the office that provides services to other government entities for services such as managing agency records, and for publishing and distributing both the ARM and the MAR was funded with an internal service fund. As such, in accordance with state budgeting laws (17-7-123, MCA), the legislature approved all fees and charges deposited in the internal service fund. The fees and charges approved by the legislature were then the maximum rates for fees and charges the office could assess for their services.

The legislature passed HB 639, which states that the revenue from fees collected by the office are to be deposited in an enterprise fund. Budgeting laws do not provide for legislative approval of fees and charges for revenues deposited in an enterprise fund. Because of the changes of HB 639 that moved the office to an enterprise fund, the fees and charges approved by the legislature are no longer limitations of the revenue for the services of the office but are merely presented below for information.

Other Legislation

House Bill 639 - HB 639 revised how fees charged by the Office of the Secretary of State may be set and where the revenue from the fees is to be deposited. HB 639 eliminated the requirement that fees charged by the Office of the Secretary of State must be commensurate with costs on a fee-by-fee basis and provided that the fees must be reasonably commensurate with overall costs of the office and must reasonably reflect prevailing rates charged in the public and private sectors for similar services. HB 639 also directed that fees collected by the Secretary of State must be deposited to an account in the enterprise fund type.

Executive Budget Comparison

The legislature approved fees and charges that would produce roughly \$41,000 per year higher revenues than those requested in the Executive Budget.

Funding

The Secretary of State's Office is funded entirely with an enterprise type proprietary fund.

Proprietary Rates**Program Description**

The Office of the Secretary of State is established by Article VI, Section 1 of the Montana Constitution and its duties are set forth in 2-4-311 and 312, 2-6-203, and 2-15-401, MCA. The office files, maintains, stores, and distributes corporate documents, agricultural lien information, official records of the executive branch, and acts of the legislature. It publishes the Administrative Rules of Montana (ARM) and the Montana Administrative Register (MAR). Additionally, the office administers the state agency records management function, as well as operates a central microfilm unit and the state

records center. Because the Secretary of State is the chief election officer of the state, the office also interprets and applies election laws, with the exception of those pertaining to campaign finance. The Secretary of State also performs duties as a member of the Board of Examiners and the Board of Land Commissioners.

Revenues and Expenses

The office estimates revenues totaling \$1.43 million for a period including the current year and the 2003 biennium. Expenditures for this three-year period are estimated to be \$1.45 million.

Rate Explanation

The fees and charges of the Office of Secretary of State are administered via an enterprise type proprietary fund. As such, they are not approved by the legislature. When the budget was submitted a portion of the fees and charges were administered via an internal service type proprietary fund and the legislature reviewed and approved the fees and charges. HB 639 changed the financial accountability of the office so that all fees and charges are administered via an enterprise type proprietary fund.

Table 1 shows the fees and charges the legislature approved for the Office of Secretary of State for the 2003 biennium. These “approved” fees and charges are shown to provide a historical perspective and in no way limit the operations of the office.

New Proposals

DP 1 - Purchase Computer Equipment and Software - By approving the fees and charges for the Secretary of State, the legislature concurred with the acquisition of computer hardware and software including: 1) a file server; and 2) an Internet server to manage public access to the ARM.

Table 1
Secretary of State
Approved Internal Service Fees and Charges

Product or Service	2003 Biennium
1. Administrative Rules of Montana Fees	
a. Administrative Rules of Montana	\$350.00 per set
b. Quarterly updates of ARM	250.00 per year
c. Extra titles	50.00 per book
d. Quarterly updates of extra titles	50.00 per year per title
e. Montana Administrative Register	300.00 per subscription
f. Agency filing fee for pages of register publication	40.00 per page
g. Binders	5.00 per binder
h. Lapsed subscription fee ARM	50.00 per subscription
i. Lapsed subscription fee extra title	10.00 per title
j. Fax fee - 10 pages or less	3.00 first 10 pages
k. Fax fee - additional pages over 10 pages	0.25 per page
l. Research fee	12.00 per hour
m. Set cleanup fee	12.00 per hour
n. Missing page fee	0.50 per page up to cost of set
o. Rule edit fee	15.00 per hour
p. Late filing fee (less than 2 hours)	5.00 per occurrence
p. Late filing fee (2 hours to 4 hours)	10.00 per occurrence
p. Late filing fee (more than 4 hours)	25.00 per occurrence
2. Records Management Fees (based on 2-6-203, MCA)	
a. 16MM Microfilm	
Less than 250,000	38.58
Non-typical extreme weight & size	38.58
8" x 11"; 8" x 14" paperwork	30.00
8" x 11"; 8" x 14" computer printout	30.00
Extreme size & weight variance	31.50
Cards - fixed weight & color	15.75
Cards - mixed weight & color	26.25
b. 35MM Microfilm	
L (per 12" x 12") aerial photos	68.25
16" x 20" bound books	63.00
24" x 34" newspapers	115.50
24" x 34" bound newspapers	136.50
48" x 48" blueprints/maps	288.75
c. 105MM Microfilm	
8" x 11" paperwork	68.25
8" x 11"; 8" x 14" computer printout	77.17
Cards (per 1000)	77.17
Minimum filing charge	37.50
d. Film Processing	
16mm, 100 foot roll	3.62
16mm, 215 foot roll	7.10
35mm, 100 foot roll	6.35
16mm, 3M cartridges	4.73

Table 1 (Continued)
Secretary of State
Approved Internal Service Fees and Charges

Product or Service	2003 Biennium
e. Film Inspecting	
100 foot roll inspection	3.65 per roll
215 foot roll inspection	5.23 per roll
Film splicing	0.79
3M cartridge loading	2.25
f. Duplication	
16mm, 100 foot roll	6.81 per roll
16mm, 215 foot roll	13.03 per roll
35mm, 100 foot roll	9.21 per roll
105mm, microfiche or jackets	0.16
Reader/printer copies	0.50
Photocopies/own labor	0.10
Photocopies/our labor	0.50
16mm, 100 foot roll	9.92 per roll
35mm, 100 foot roll	14.54 per roll
g. Jacket Loading	
16mm, 5 channel jacket	0.3150
Agency's own jacket	0.2887
35mm, 1 & 2 channel jacket	0.3150
Loading 16mm aperture card	0.2625
Jacket title	0.2625
Jacket notching	0.0525
h. Miscellaneous	
Fiche title	0.2625 per title
Indexing and document prep/hour	18.00 per hour
Camera rental	95.00 per day
i. Supplies	
NMI reader bulbs	10.75 per bulb
16mm, 100 foot roll film	6.68 per roll
16mm, 215 foot roll film	12.95 per roll
35mm, 100 foot roll film	13.95 per roll
j. Records Center Services	
Storage	0.2565 per square foot per month
Storage	0.295 per cubic foot per month
Retrievals	1.50 per occurrence
Emergency retrievals	6.25 per occurrence
Large retrievals, delivery, interfiling	22.50 per occurrence
Records disposal	22.50 per hour
Shredding confidential records	23.05 per hour
k. Records Center Boxes	
Records storage boxes: standard size A	1.34 per box
Drawing & map storage boxes size C	1.34 per box
l. Imaging Services	
Imaging	0.055 per image
Indexing and document preparation	18.00 per hour